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Air Force Sustainment Center (AFSC) Manpower and Capability Reporting Project

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Air Force Sustainment Center



Air Force Sustainment Center (AFSC) Manpower and Capability Reporting Project

**Sara Rielag &
Todd McNelly**



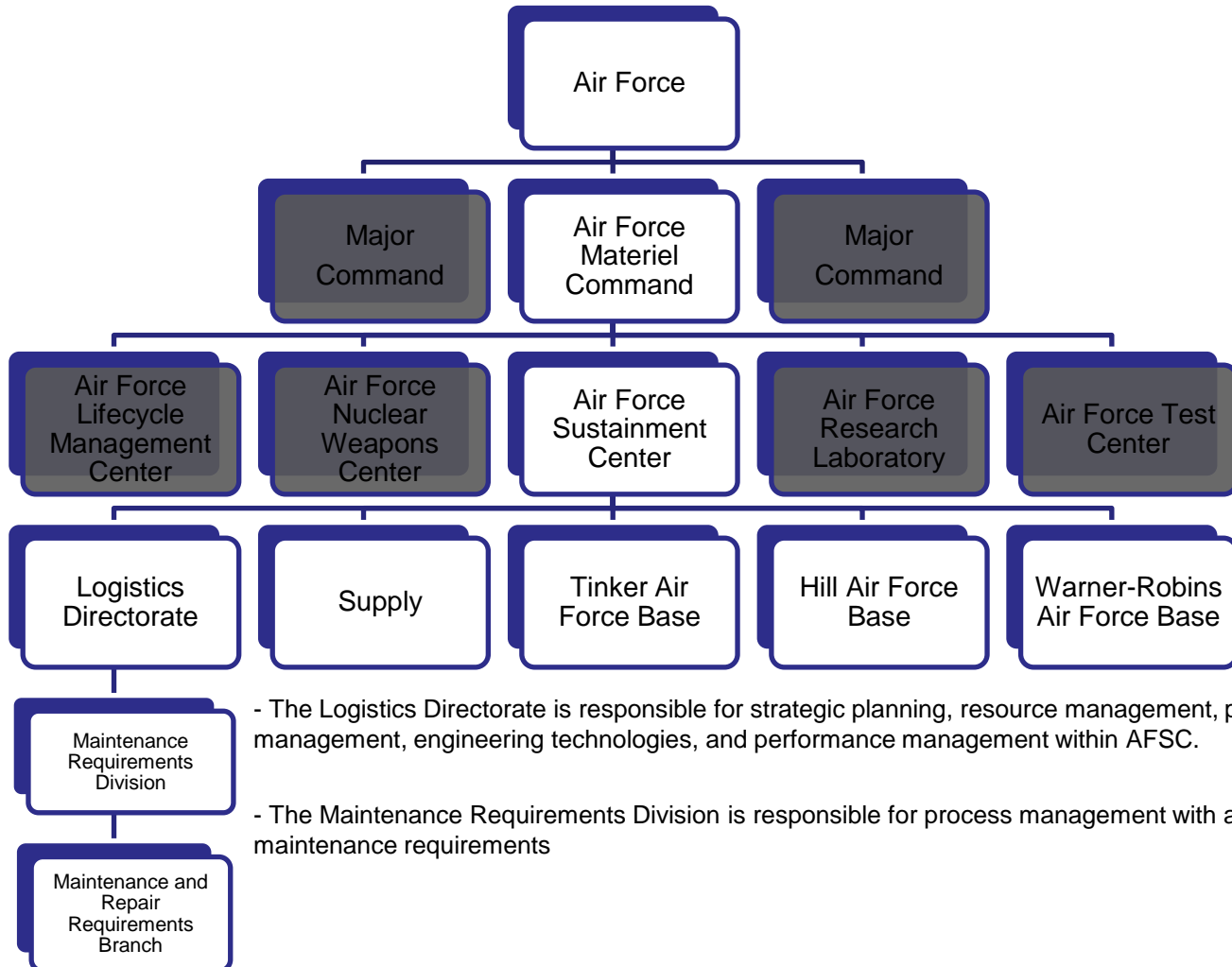
Overview

- **Business Problem/Opportunity**
- **State of the Art Review and Alternatives**
- **Analysis**
- **Recommended Solution**
- **Implementation**
- **Expected Benefits**



Business Problem/Opportunity

Sponsor Organization





Business Problem/Opportunity (cont.)

Problem:

- **The Air Force Sustainment Center (AFSC) is experiencing missed opportunities in making strategic adjustments to depot operations due to the lack of timely performance reporting of Depot operations**

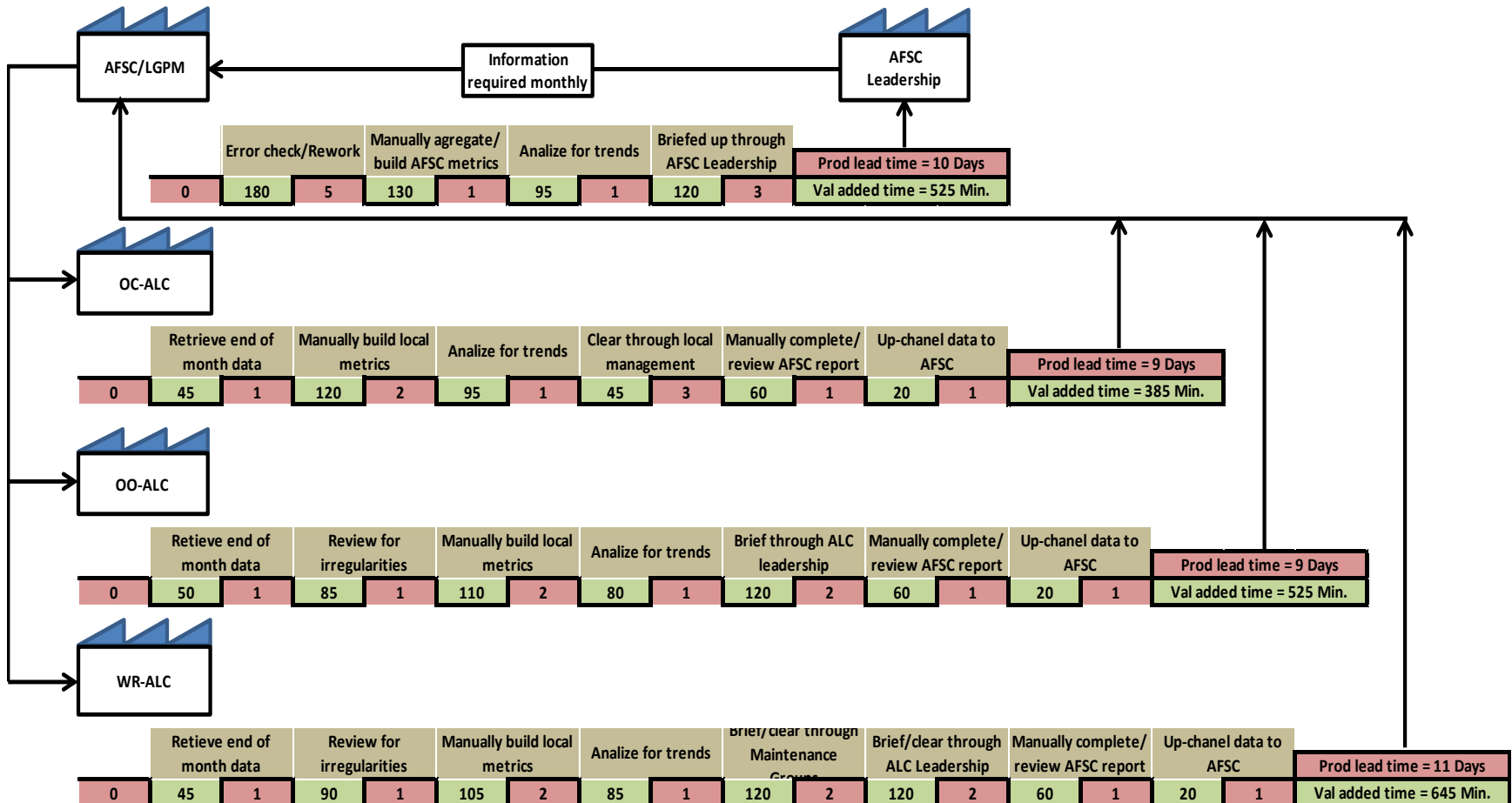
Opportunity:

- **Make greater use of currently existing information technologies to standardize and streamline the gathering and reporting of Air Force Sustainment Center's performance data associated with manpower and capability management**



Business Problem/Opportunity (cont.)

Process Flow (“As Is”)





Business Problem/Opportunity (cont.)

Project Goal

- **Reduce costs by reducing the lag time in reporting manpower and capability performance measures to key decision makers in the Air Force Sustainment Center**
- **Potential savings: \$1+ million annually**



Business Problem/Opportunity (cont.)

Project Objectives

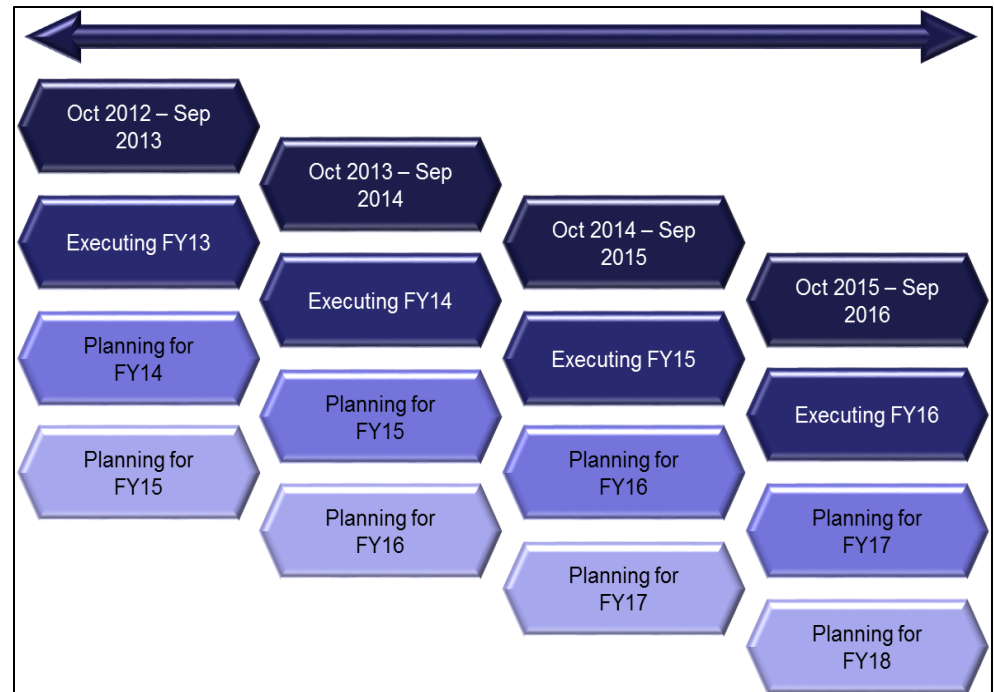
- **Cost:** Reduce costs, both direct and indirect, associated with the manpower and capability reporting process by at least 65%
- **Quality:** Reduce rework by eliminating human errors in the reporting process
- **Time:** Place actionable analysis in leadership's hands sooner by reducing cycle time by 65%. Complete finding and make recommendations in time to implement starting Oct 1, 2014
- **Innovation:** Utilize existing technologies such as Microsoft SharePoint® and Defense Connect Online to streamline processes



Business Problem/Opportunity (cont.)

Impetus

- Title 10, U.S. Code, Sec 2472, Prohibition on Management of Depot Employees by End Strength
- Reviews forecasted funded requirements—builds manpower/capability baseline plan
- Baseline plan used as measure to ensure compliance
- Performance reviewed monthly





State of the Art Rev. & Alternatives

Potential Solutions

- **Process Improvement (In-house solution)**
 - Review, explore and implement best practices within the organization
 - **Process Automation**
 - Automate the reporting process, giving analysts and leadership instantaneous access to actionable information
 - **Process Outsourcing**
 - Contract with a third party to perform the process in place of government employees with the stipulation that they meet stringent time requirements
-



State of the Art Rev. & Alternatives (cont.)

Literature Review

- **Process Improvement (In-house solution)**
 - Is-Is Not Analysis
 - Questioning Method
 - Mapping our Process Flow
 - Leaning the process
 - **Sources**
 - Graham, B. B. (2007). *Business Process Analysis: Using Detail Process Maps and Questioning Method*
 - Hibbert, B. J., & Evatt, A. (January/February 2004). Mapping Information Flows: A Practical Guide
 - Mahalik, P. (February 2010). *Learning to Think Lean: Six Steps with Review Points*
 - Surinova, Y., & Paulova, I. (2010). *An Easy Way to Detect Problem's Root Cause: Is-Is Not Analysis*
-



State of the Art Rev. & Alternatives (cont.)

Literature Review (cont.)

- **Process Automation**

- SharePoint®
- Dashboard
- Automated Analysis

- **Sources**

- Hayes, H. (May 2013). *Case Studies Using Real-Time Data Analytics*
 - LaValle, S., et al. (December 2010). Big Data, Analytics and the Path from Insights to Value. *MIT Sloan Management Review*
 - Vasarhelyi, M. A, et al. (April 2014). Embracing the Automated Audit. *Journal of Accountancy*
-



State of the Art Rev. & Alternatives (cont.)

Literature Review (cont.)

- **Process Outsourcing**
 - Advantages
 - Disadvantages
 - Government Perspective
 - **Sources**
 - Baldwin, L.P., et al. (2001). Outsourcing Information Systems: Drawing Lessons from a Banking Case Study. *European Journal of Information Systems*.
 - Efstathiou, A. (November 2012). Outsourcing Reference Data Management. *Computer Weekly*.
 - Gormley, B. (August 2010). Government Contracting: Explaining the Process in 5 Steps.
 - Meehan, C.L. Advantages and Disadvantages to Outsourcing IT. *Houston Chronicle*.
-



Analysis

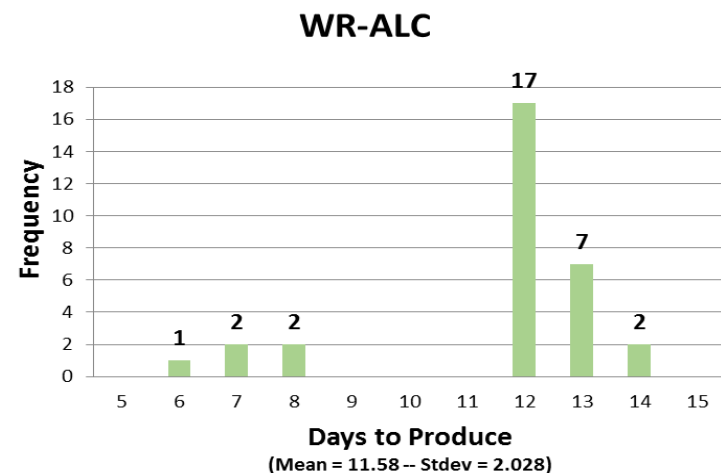
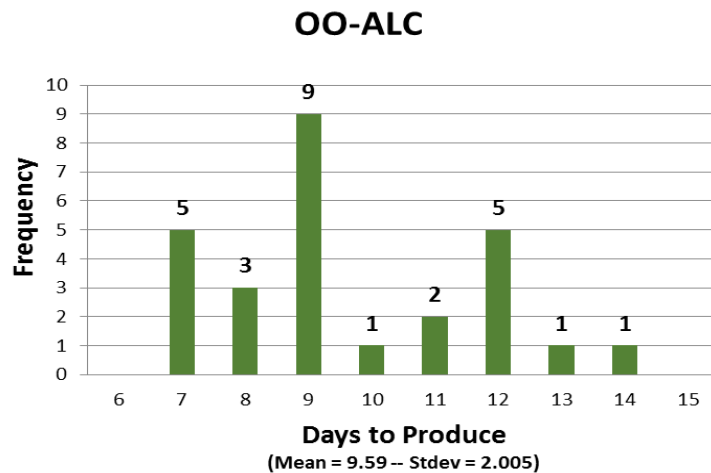
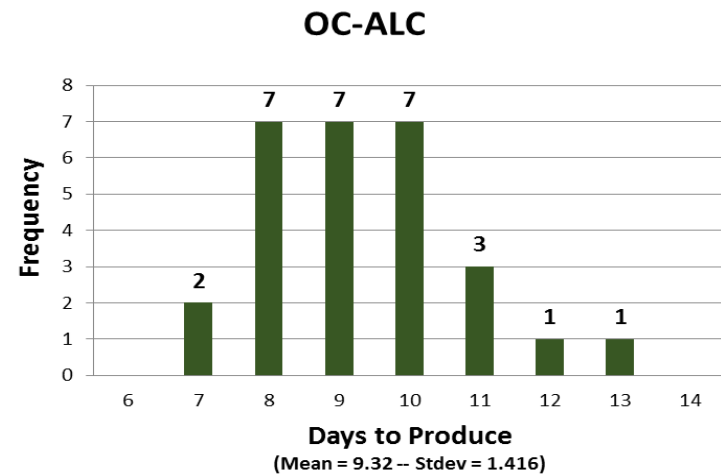
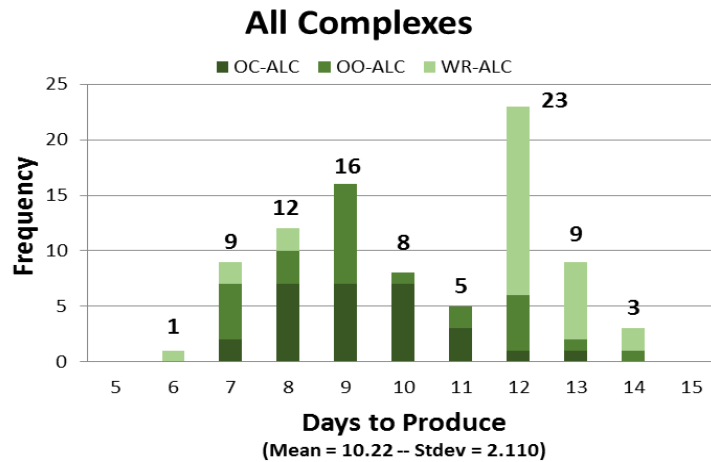
Data Collection

- Report data for the three Air Logistic Complexes (ALC) and the Air Force Sustainment Center (AFSC) was obtained by reviewing historical reports
 - Completion dates were recorded on all types of saved reports (initial, reworked submissions, final submissions, and administrative changes) over the past 30 months.
 - There were a total of 346 such reports
 - 151 – Air Force Sustainment Center (AFSC)
 - 90 – Oklahoma City Air Logistics Complex (OC-ALC)
 - 61 – Ogden Air Logistics Complex (OO-ALC)
 - 44 – Warner-Robins Air Logistics Complex (WR-ALC)
-



Analysis (cont.)

Cycle Time

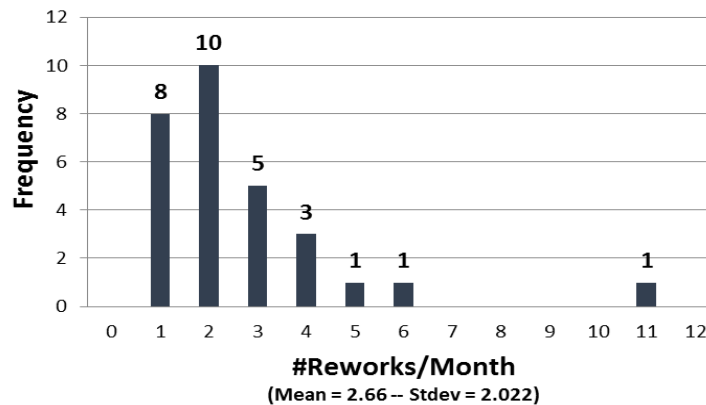




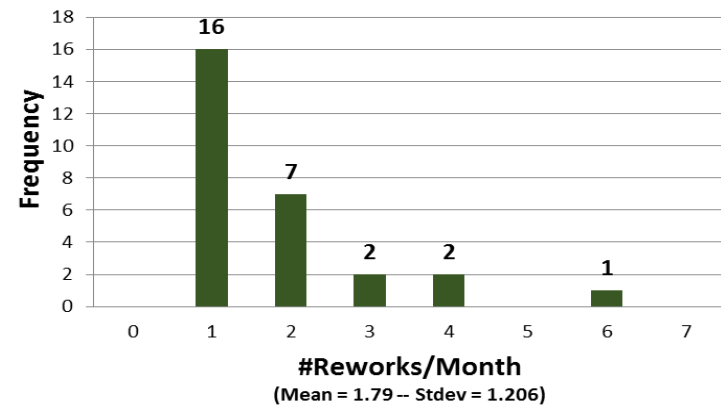
Analysis (cont.)

Rework

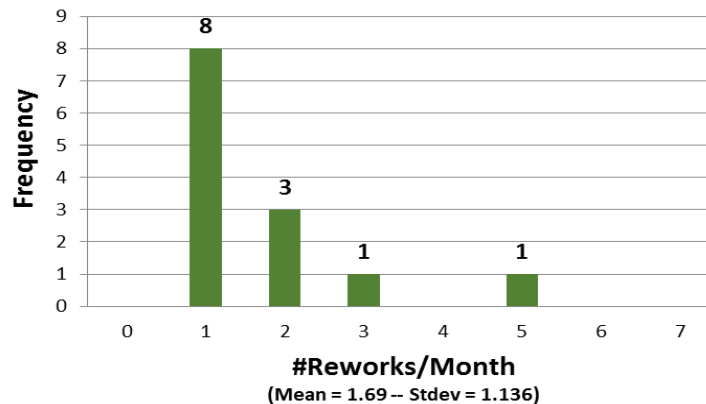
All Complexes



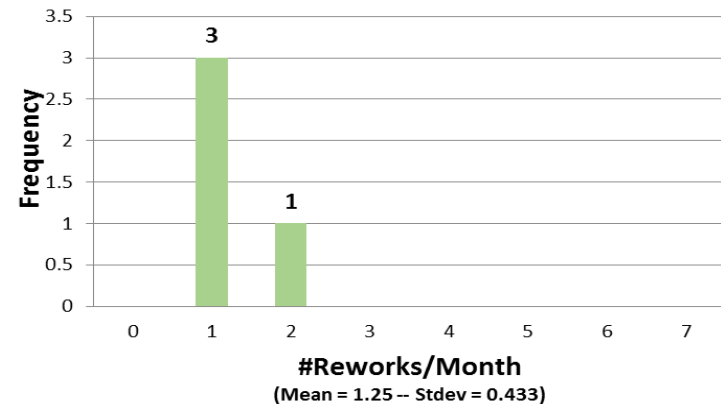
OC-ALC



OO-ALC



WR-ALC





Analysis (cont.)

Savings Potential

ALC-X1 - Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Payments (VSIP)
(Target: 750 Full-time Employees)

Notes	FY13 salary/year (estimated)	Goal (Number of Full-Time Employees)	FY14 Baseline Annual Civ Pay @ 96,696 ea	Number of Months	FY14 Civ Pay Savings (11 months)	VERA/VSIP Incentive @ \$25K ea	Net FY14 Savings Without Leave Buyout	Leave Buyout (240 hour ea)	FY14 Annual Civ Pay Savings
VERA/VSIP, EOM Oct 2013 (1 Month)	\$ 96,696	300	\$ 29,008,800	11	\$ 26,591,400	\$ (7,500,000)	\$ 19,091,400	\$ 3,334,345	\$ 15,757,055
VERA/VSIP, EOM Nov 2013 (2 Months)	\$ 96,696	300	\$ 29,008,800	10	\$ 24,174,000	\$ (7,500,000)	\$ 16,674,000	\$ 3,334,345	\$ 13,339,655
									\$ 2,417,400

Revised down from 750 to reflect actual
number that accepted the VERA/VSIP offer



Analysis (cont.)

Savings Potential (cont.)

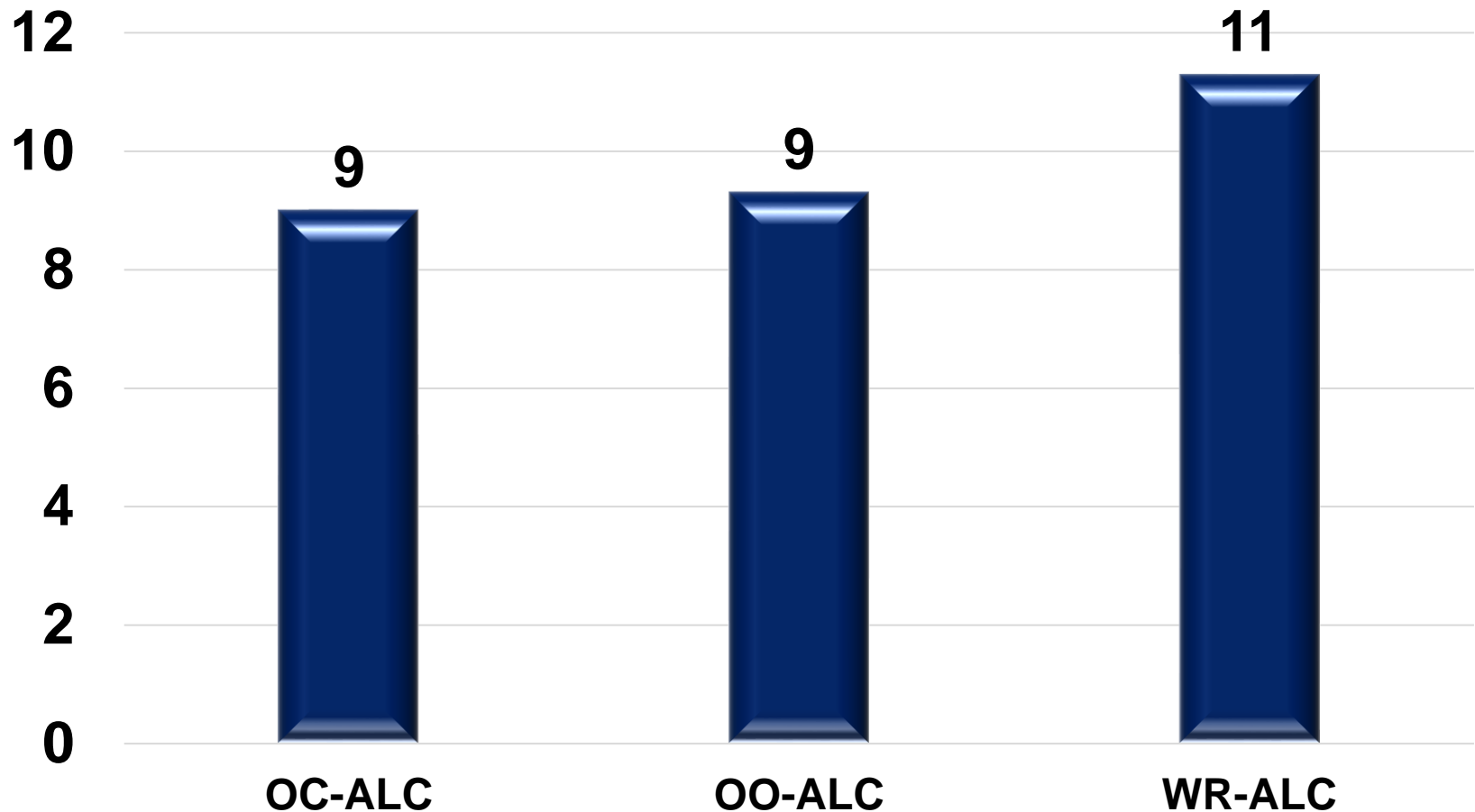
ALC-X2 - Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Payments (VSIP) (Target: 800 Full-time Employees)									
Notes	FY13 salary/year (estimated)	Goal (Number of Full-Time Employees)	FY14 Baseline Annual Civ Pay @ 96,696 ea	Number of Months	FY14 Civ Pay Savings (11 months)	VERA/VSIP Incentive @ \$25K ea	Net FY14 Savings Without Leave Buyout	Leave Buyout (240 hour ea)	FY14 Annual Civ Pay Savings
VERA/VSIP, EOM Apr 2013 (1 Month)	\$ 74,225	250	\$ 18,556,250	11	\$ 17,009,896	\$ (6,250,000)	\$ 10,759,896	\$ 2,132,902	\$ 8,626,994
VERA/VSIP, EOM Nov 2013 (2 Months)	\$ 74,225	250	\$ 18,556,250	10	\$ 15,463,542	\$ (6,250,000)	\$ 9,213,542	\$ 2,132,902	\$ 7,080,639
									\$ 1,546,354

Revised down from 800 to reflect actual
number that accepted the VERA/VSIP offer



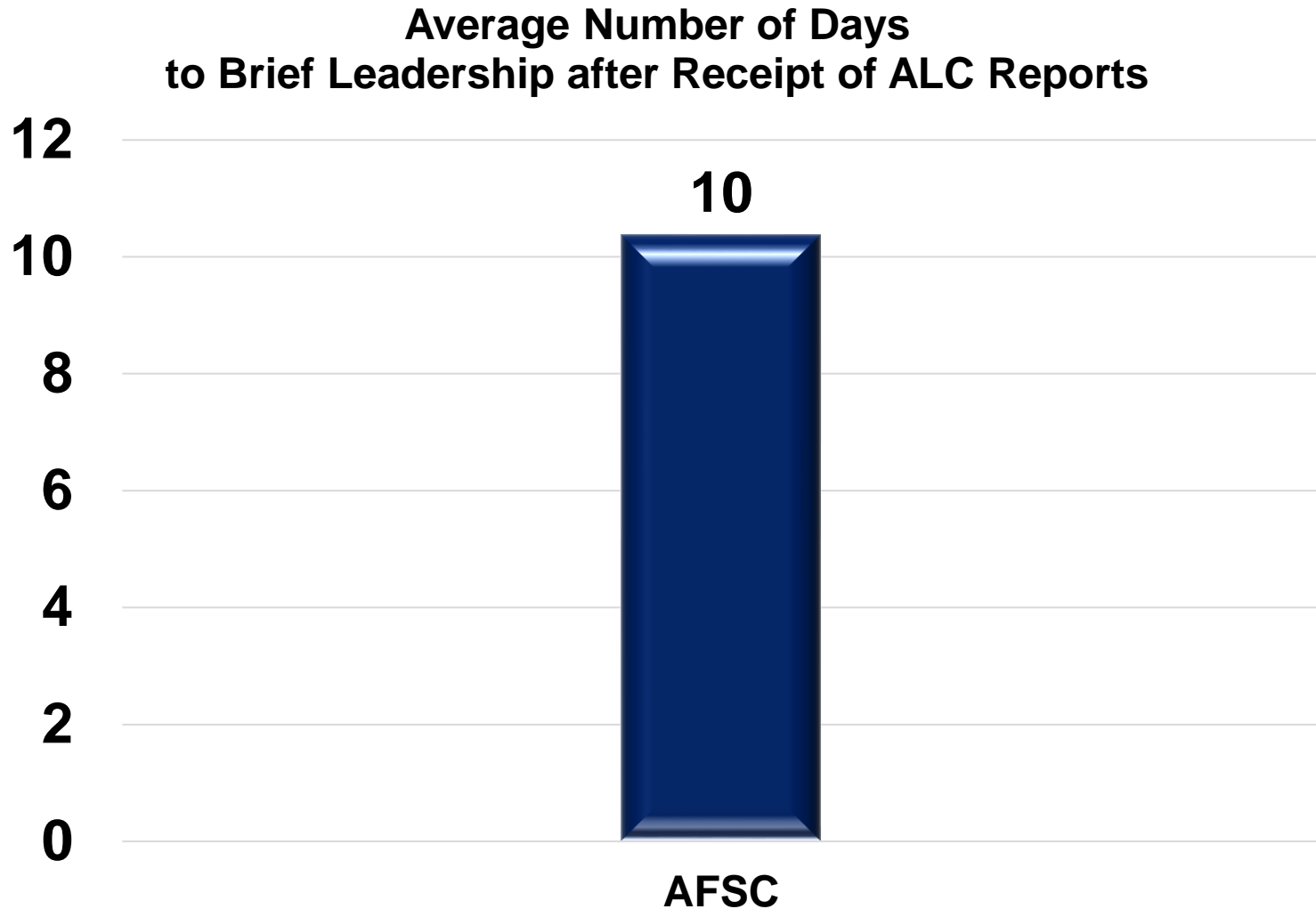
Analysis (cont.)

**Average Number of Days
to Complete Report after Monthly Closeout**





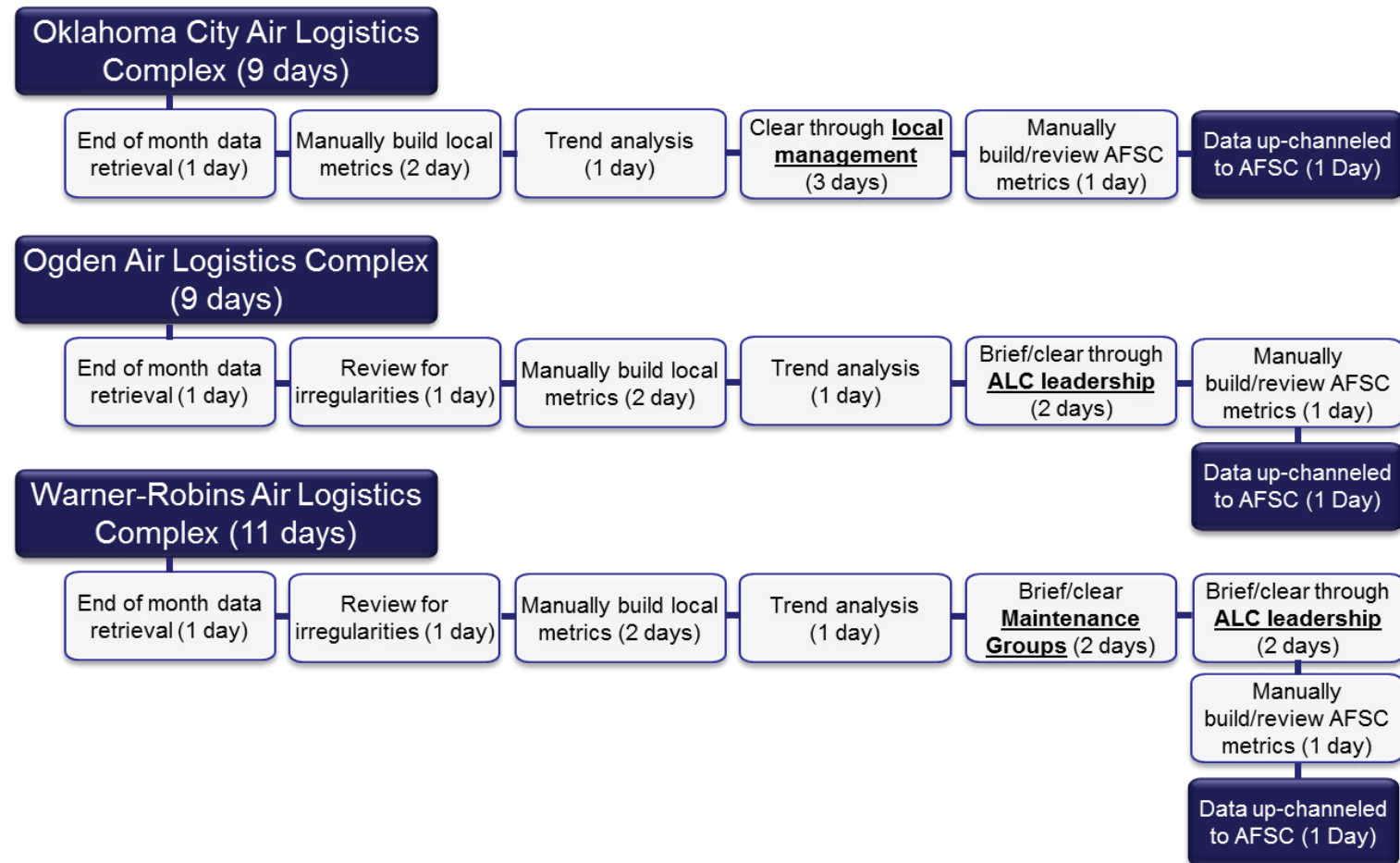
Analysis (cont.)





Analysis (cont.)

Current Process Flow

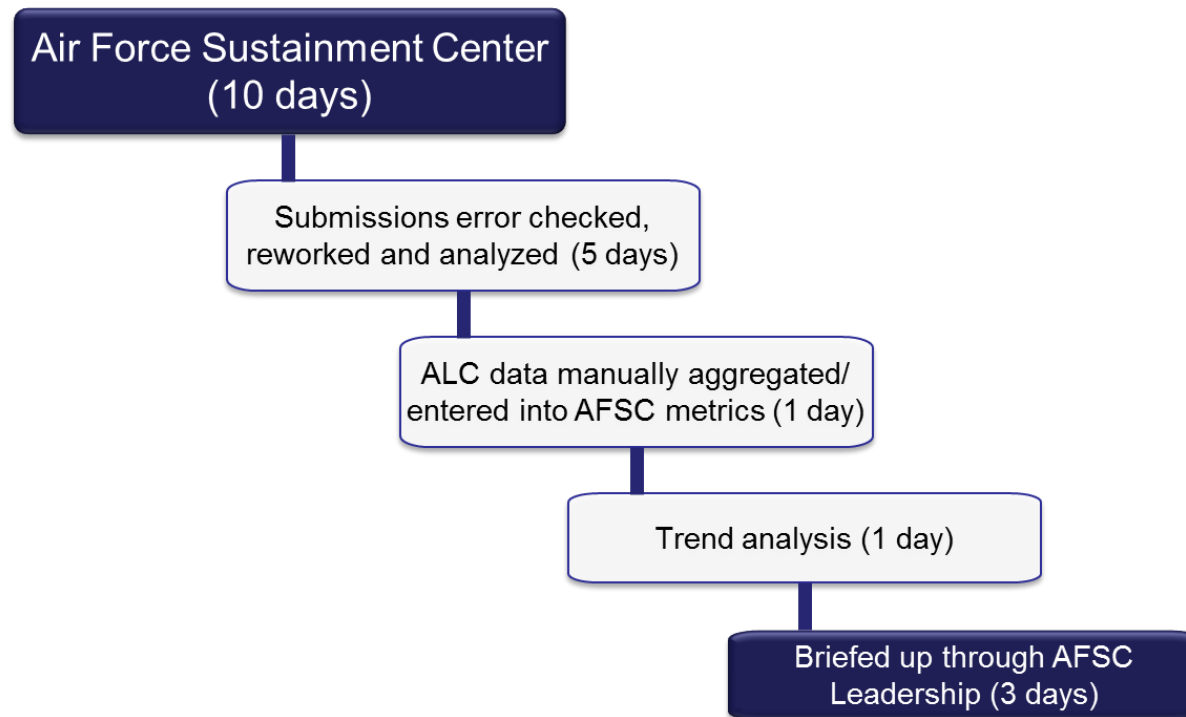


Three non-standard processes running concurrently to up-channel like data.



Analysis (cont.)

Current Process Flow (cont.)

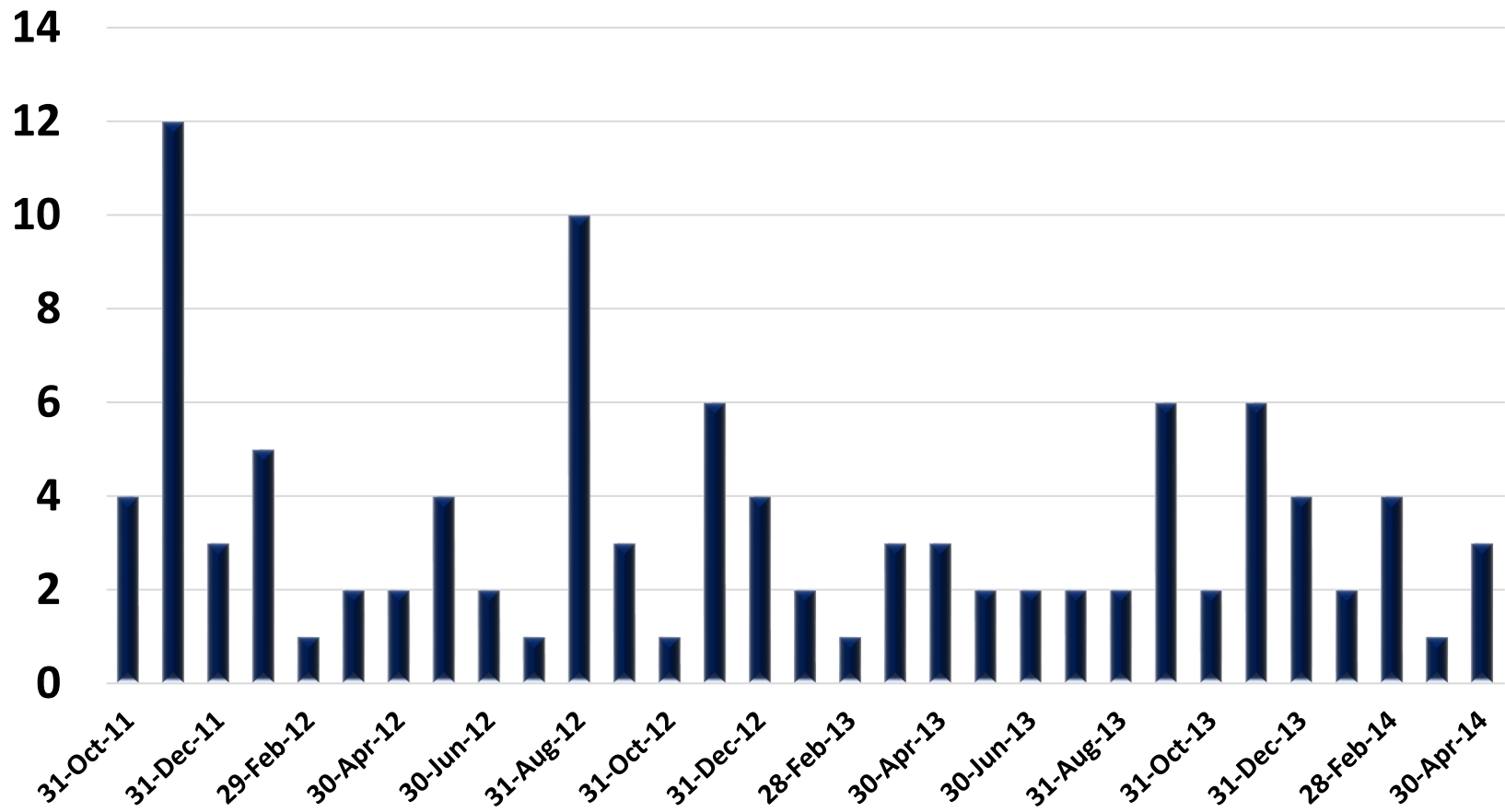


Total processing time: 18 days. Critical path passes through Warner-Robins ALC, but opportunity for improvement exists throughout the process.



Analysis (cont.)

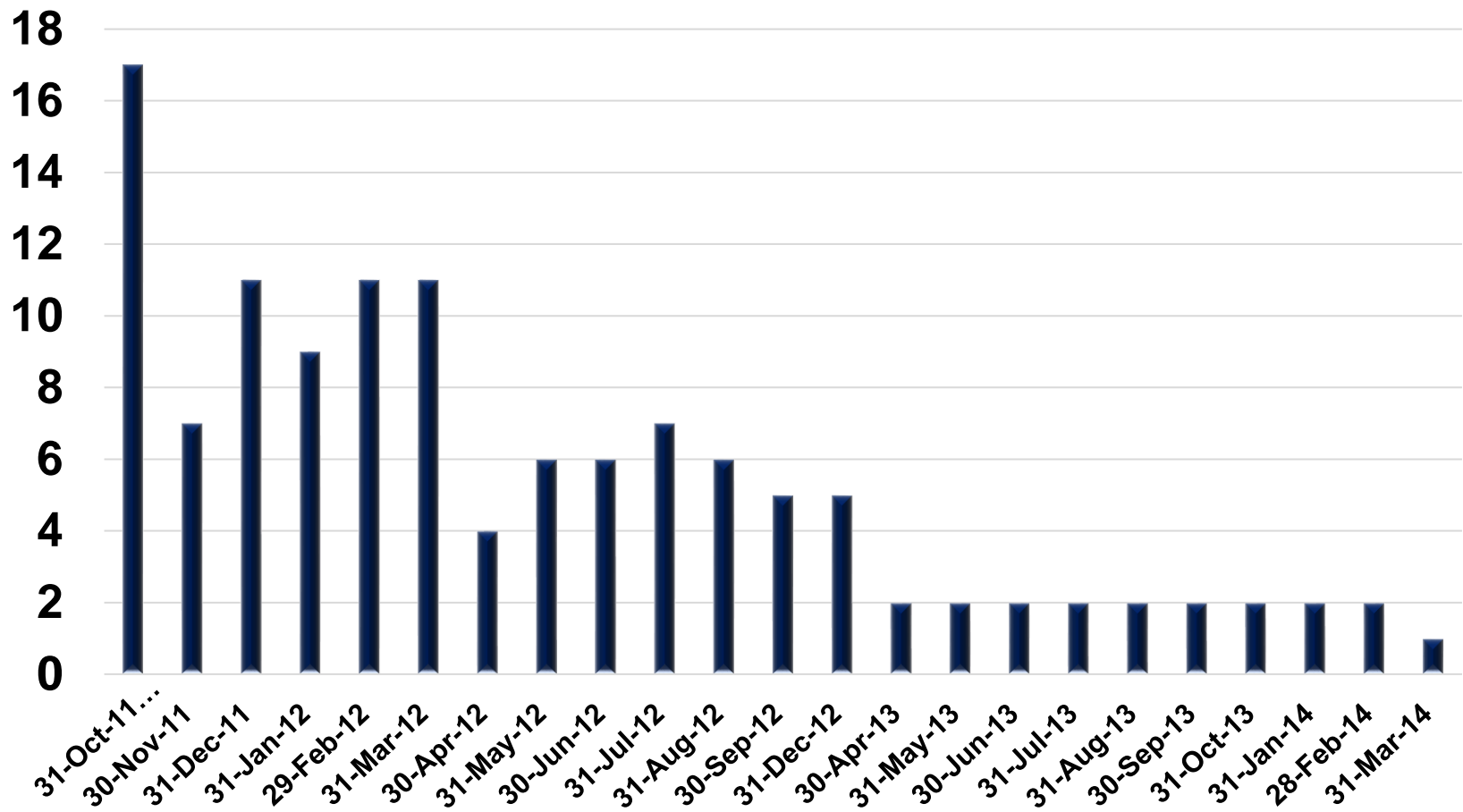
Air Logistics Complex (ALC) Report Quality (Number of Reworks)





Analysis (cont.)

Air Force Sustainment Center (AFSC) Report Quality (Number of Reworks)





Recommended Solution

- **Use a combination of best business practices already in use and technology to semi-automate the Manpower and Capability reporting process**
- **Lean out non-value added process steps**



Recommended Solution (cont.)

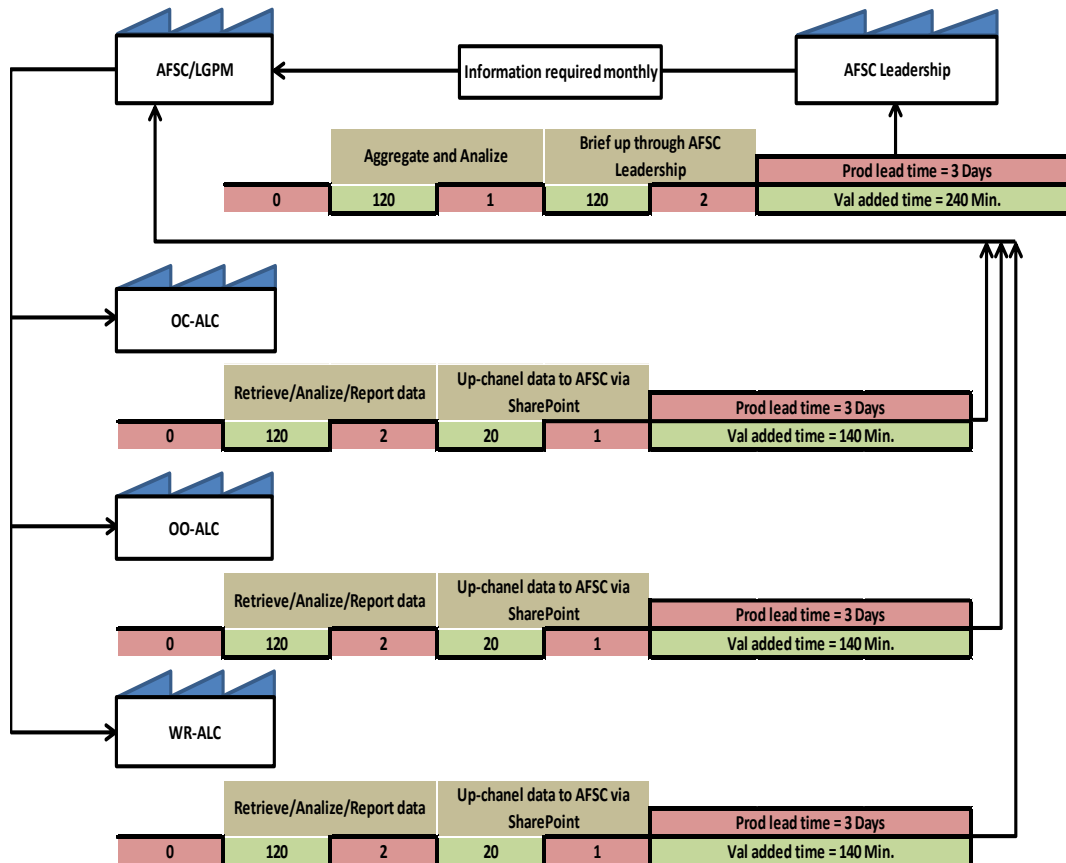
Key Project Deliverables

- **Produce a consolidated report (8203 report) that incorporates a single location for key performance indicators critical to leadership decision processes**
- **Develop monthly metrics that auto-feed off the consolidated report**
- **Publish policy/procedures to include:**
 - **Reporting procedures**
 - **Standardized metrics**
- **Train key process administrators in use of 8203 report, monthly metrics and SharePoint**



Recommended Solution (cont.)

Process Flow (“To Be”)



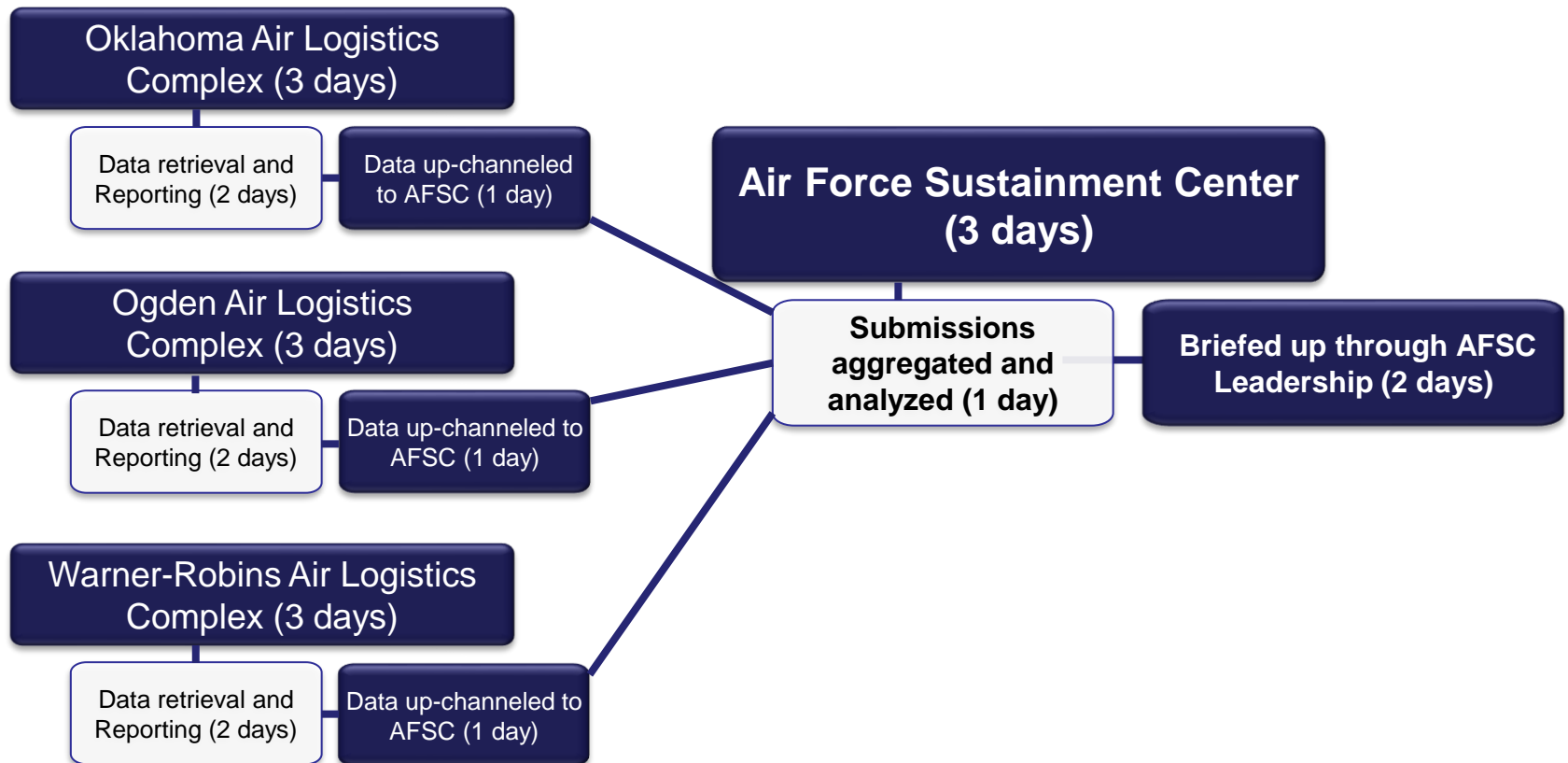
	Hrs: As-Is	Hrs: To-Be	% Reduction
OC-ALC	6.4	2.3	63.6%
OO-ALC	8.8	2.3	73.3%
WR-ALC	10.8	2.3	78.3%
AFSC/LGPM	8.8	4.0	54.3%
Total:	34.7	11.0	68.3%

	Days: As-Is	Days: To-Be	% Reduction
ALCs	11	3	72.7%
AFSC/LGPM	10	3	70.0%
Total:	18	6	66.7%



Recommended Solution (cont.)

Process Flow (“To Be”)



Three standardized processes running concurrently to up-channel like data.



Implementation

Completed Action Items

Task Number	Task	Duration (days)	Start Date	End Date
Initiating				
1	Perform value stream mapping of process	5	10-May-14 8:00 AM	19-May-14 4:00 PM
2	Gather/prepare historical data for analysis	10	20-May-14 8:00 AM	24-May-14 4:00 PM
3	Analyze data/research alternatives	9	25-May-14 8:00 AM	02-Jun-14 4:00 PM
Planning				
4	Develop Implementation Plan	14	03-Jun-14 8:00 AM	16-Jun-14 4:00 PM
5	Brief Sponsor on recommendations	3	17-Jun-14 8:00 AM	19-Jun-14 4:00 PM
6	Draft Policy and guidance for Leadership Review/Approval	18	20-Jun-14 8:00 AM	07-Jul-14 4:00 PM
Execution (Phase I)				
7	Communicate plan to stakeholders	12	08-Jul-14 8:00 AM	19-Jul-14 4:00 PM
8	Develop detailed procedures ("To-Be")	14	20-Jul-14 8:00 AM	02-Aug-14 4:00 PM
	Manpower & Capability Report templates			
9.1.	- Design automated template	6	03-Aug-14 8:00 AM	08-Aug-14 4:00 PM
9.2.	- First Article Test	2	09-Aug-14 8:00 AM	10-Aug-14 4:00 PM
9.3.	- Finalize Template design	2	11-Aug-14 8:00 AM	12-Aug-14 4:00 PM
	Corporate Performance Metric templates			
10.1.	- Design automated template	6	13-Aug-14 8:00 AM	18-Aug-14 4:00 PM



Implementation

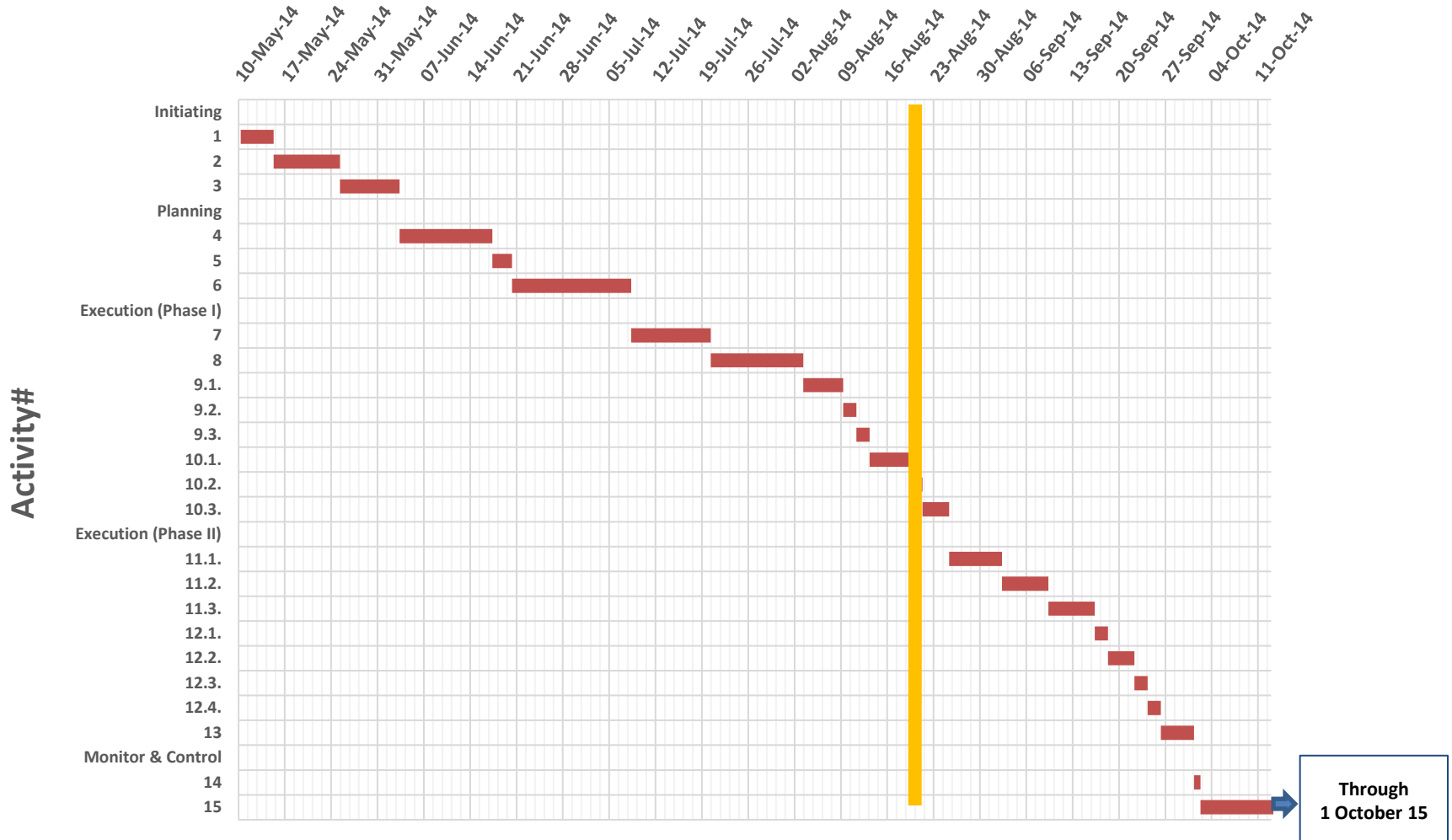
Open Action Items

10.2.	- First Article Test	2	19-Aug-14 8:00 AM	20-Aug-14 4:00 PM
10.3.	- Finalize Template design	4	21-Aug-14 8:00 AM	24-Aug-14 4:00 PM
Execution (Phase II)				
	Develop training			
11.1.	- SharePoint usage	8	25-Aug-14 8:00 AM	01-Sep-14 4:00 PM
11.2.	- 8203 Template usage	7	02-Sep-14 8:00 AM	08-Sep-14 4:00 PM
11.3.	- Metric Template usage	7	09-Sep-14 8:00 AM	15-Sep-14 4:00 PM
	Train Key personnel			
12.1.	- HQ AFSC	2	16-Sep-14 8:00 AM	17-Sep-14 4:00 PM
12.2.	- OC-ALC	4	18-Sep-14 8:00 AM	21-Sep-14 4:00 PM
12.3.	- OO-ALC	2	22-Sep-14 8:00 AM	23-Sep-14 4:00 PM
12.4.	- WR-ALC	2	24-Sep-14 8:00 AM	25-Sep-14 4:00 PM
13	Dress rehearsal (Final testing of process flow, incorporating Report and Metric templates)	5	26-Sep-14 8:00 AM	30-Sep-14 4:00 PM
Monitor & Control				
14	Flip the Switch	1	01-Oct-14 8:00 AM	01-Oct-14 4:00 PM
15	Celebrate, stabilize, measure project success	365	02-Oct-14 8:00 AM	01-Oct-15 4:00 PM



Implementation (cont.)

Timeline





Expected Benefits

- **Timelier visibility over strategic performance of depot operations**
- **Greater flexibility to make strategic adjustments sooner**
- **Savings**
 - **65% reduction in process time**
 - **\$1+ Million in first year**



Conclusion

- **Business Problem/Opportunity**
- **State of the Art Review and Alternatives**
- **Analysis**
- **Recommended Solution**
- **Implementation**
- **Expected Benefits**

Questions?